

## **Electronic submission from VCDR**

From: Peter Youngbaer [vcdcr@sover.net]

Sent: Friday, September 19, 2003 3:40 PM

To: Joan Senecal

Cc: Charlie Smith; Patrick Flood; Susan Bartlett; Jim Leddy; Tom Koch; Anne Bakeman; Lila Richardson; Deborah Lisi-Baker; Peg Franzen; Moe Kelly; Steve Pouliot

Subject: 1115 Waiver Comments

September 19, 2003

\Joan Senecal, Director  
Division of Advocacy and Independent Living  
Department of Aging and Disabilities  
103 S. Main St.  
Waterbury, Vt. 05671-2301

Dear Joan,

Thank for sending us a copy of the 1115 Waiver Draft, dated September 4, and for the opportunity to comment on the proposal. On behalf of the 27 member organizations of VCDR, we are please to submit these remarks.

A couple of general statements, and then some specific comments:

While we support the overall goals and directions of the 1115 Waiver Draft, and some of the specific approaches, we have two major concerns:

1. That the initiative is inadequately funded, and will not achieve the goal of building community alternatives to nursing home settings at a speed fast enough not to be overtaken by demographics and nursing home inflation; and

***According to the data described in the Department's "Shaping the Future" report, we feel we have sufficient window of opportunity to accomplish many of the goals described in this proposal. Vermont will not see a significant growth in the older population until about 2020. If our assumptions turn out to be correct, we should be able to make considerable progress in meeting our goals.***

2. The elements of the program design will lead to the further "Medicaidization" of our long term care system, and thus the erosion of current non-Medicaid options that serve younger people with physical and sensory disabilities.

***One of the stated goals of the proposal is to create a balanced system. That means one that addresses the needs of younger persons with disabilities as well as elders. The Commissioner has started meeting regularly with an ad hoc group of younger adults with disabilities to discuss improvements to the system of care overall.***

We sincerely hope that these serious flaws can be addressed as the Waiver moves forward.

**Funding:** Let us elaborate on this first point. Certainly, VCDR has long been an advocate for the concept of removing the institutional bias in the long term Medicaid program - at the federal and state levels. The Waiver proposal should be commended for that intent and design - to the extent that it works.

However, it is obviously clear, and of concern to the Department that there is risk in not being able to divert enough people from more expensive nursing home placements for lack of an adequate supply of community alternatives. The Department's concern is reflected in the narrative on page 7 of the Draft, when discussing the "Moderate Needs Group:"

"They will be served to the extent funds are available after serving all eligibles in the Highest and High-Need groups. Vermont will designate some funds in the beginning of the Demonstration to ensure services to some of these individuals."

If one of the major purposes of this Demonstration is to show that by providing earlier services than current practices allow will avoid or delay more costly institutional care, then we cannot be bashful about "priming the pump."

Given years-long waiting lists for things like Attendant Services, Home Modifications, Homemaker Services, etc., we cannot wait for the "trickle" of individuals in the Highest and High Needs Groups to begin to choose non-nursing home alternatives, and perhaps freeing up sufficient funds to begin to move some funding "upstream." VCDR is very concerned that the combination of demographics (the increasing population of High Needs citizens), and nursing home inflation (mandated by law, and driven to some extent by externals such as the cost of prescription drugs) will constantly stay ahead of the Demonstration's ability to free up funds to build community alternatives.

Over the past three state budget cycles, Vermont has stopped reinvesting nursing home savings into the community alternative infrastructure - particularly that which serves younger persons with disabilities (that is, ages 18 - 65), to the tune of nearly \$8 million aggregate state and federal funds. The impact of this cannot be understated. For the lack of community alternatives, waiting lists have grown, and nursing home utilization has ceased to shrink. Last year, the Department even had to reduce waiver slots, and restrict services.

What can be done? We would strongly suggest that the Administration (and the Legislature) consider utilizing a portion of the one-time additional Medicaid funds Vermont received from the federal government last spring. Using these one-time funds to make a one-time up-front investment would go a long way to build the kind of capacity needed to give consumers meaningful community options to nursing homes.

How much? In round numbers, the nursing home savings under Act 160 that would have been invested each year had they not gone to "the bottom line," is roughly \$2 million. We would strongly suggest using that as a starting point for a one-time investment.

Where? Late last spring, when the Department of Aging and Disabilities issued its report, "Shaping the Future of Long Term Care," at one of Governor Douglas' press conferences, a well-researched design for investment around the state in various programs was laid out. VCDR

strongly endorsed that report and that plan. Now is the time to make good on it, in the context of this Waiver application.

Indeed, the report showed a region-by-region analysis of where, and exactly what kinds of community program capacity needed to be put in place. It did it in the context of the goal of attaining a 60/40 nursing home/community expenditure split in our long term care system. This is an achievable goal, given that we are currently more like 70/30. In fact, the best mix is currently in Addison county, at nearly 40/60. Bennington is the worst outlier, with Orleans, Lamoille, Rutland and Washington clearly also needing attention.

Thus, we believe the research has been done, the opportunity to use one-time funds is present, and we are concerned that the project goals will not be attained unless we are more aggressive up-front. Just as one needs to give an initial suck on the siphon hose to get the gas flowing out of the tank, we believe this initiative will be lacking without that initial investment.

"Medicaidization." VCDR is concerned that the Waiver Draft, as currently written, could erode current non-Medicaid supports for individuals with disabilities. Unlike Act 160, which invested nursing home savings in an array of programs - many, but not all Medicaid-eligible, this proposal does not.

Act 160 funds went to a large build-up of the home and community-based waiver, residential care options, and some Medicaid-eligible Adult Day programs. They also expanded Attendant Services, Homemaker Services, Alzheimer's Respite, Home Modifications, Adult Day and other essential independent living services for people who are not Medicaid eligible for a variety of reasons, but no less at-risk for institutionalization.

While the Waiver Draft proposes some things, such as a higher resource threshold for Medicaid eligibility, there are many who will remain outside of the Medicaid model. While some individuals may move into this waiver model (off of these other programs), there is no backfill of the state general funds that support these non-Medicaid models.

Given our experience with "bringing Medicaid to the Attendant Services Program," initiative of a couple of years ago, we worry that will be repeated. The promises of those additional Medicaid funds were that additional people could be served overall (true), funds could be made available to raise caregiver wages (true), and funds could be made available to serve additional individuals on the General Fund programs. This has not materialized.

While VCDR supports, and supported, the seeking of additional Medicaid funds to maximize our ability to serve individuals, we need to ensure that the long term care needs of those outside the Medicaid programs are not ignored. With Act 160, we did that as a state; this proposal does not.

Thus, our recommendation is to amend the program design to build some new capacity in the array of non-Medicaid programs.

***As funds become available, we will certainly look at ways to invest those funds to continue to support the system as a whole; however, we are aware of the responsibility we are entrusted with, i.e. to use taxpayer dollars efficiently and effectively. As you know, the federal match is essential to our continued efforts to achieve our goals.***

Home modifications. One final specific point. The Home Access Program currently has a two-year waiting list. Our current Home and Community-based Waiver allows up to \$750 per year to cover home modifications or assistive technology. A typical ramp into the home and bathroom modifications costs in the \$6000 range. We strongly suggest that the Waiver Draft be amended to ensure that the full cost can be covered. For some, this may be the only waiver service needed for some time, and it is a one-time expenditure. Why should we not take advantage of the Medicaid match to accomplish this as much as possible? While that would cover that benefit for those who are Medicaid eligible, we still need to remember that there are many needing that service who still would not have access.

***Your suggestion has merit and we will consider making this sort of change once we have some experience with this new program.***

Again, we thank you for the opportunity to comment on the proposal. It is a good start, but we do have serious concerns about its limitations. Please feel free to contact us, if you need further information. Thank you.

Sincerely,

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(Note: Hard copy sent to the above names, plus Rep. Richard Westman)